

MAINE GAMBLING CONTROL BOARD

May 18, 2015

09:00 – 9:45

Bangor City Council Chambers

73 Harlow Street

Bangor, Maine 04401

Meeting opened at 9:00 am

Board members present: Tim Doyle, Chair; Barbara Dresser; Joe Laliberte; Robert Harmon

Staff present: Detective Don Armstrong, Office Assistant II Harley Murray, Auditor Donald Berrie, Auditor Jill Tobey, Inspector Supervisor Vicki Gardner, Executive Director Patrick Fleming.

Legal counsel present: Assistant Attorney General Lauren LaRochelle

Introductions:

The Board introduced themselves followed by introductions of the staff and counsel by Executive Director Fleming.

Review of the minutes 04/21/2015

Motion to accept the minutes as presented: Joe Laliberte, Board Member

Seconded: Robert Harmon, Board Member

Vote: Unanimous

Executive Director Report:

Legislature – All of the bills relating to gaming have been acted upon and most of them have been killed. There are a few that are still in the process. Director Fleming provided board with update on bills in the legislature discussed in previous meeting.

The committee is also working on drafting a committee bill for one, possibly two casinos in Northern Maine, they are using the resolve from the last session that resulted in the White Sands report so it does not have an LD number at this time. Some members are talking about a competitive bid process while others are saying it is strictly for tribal gaming. This bill is still in the work session. This bill and LD 1280 will be discussed again in May 20th work session.

The statutory adjournment date for this legislature is June 17th so time is getting short for these proposals. The committees were also supposed to report out their carry over bills last Friday so it looks as they are going to try and get something done in this session.

Licensing – At the March Board meeting a vote was taken to preliminarily deny an employee's license due to unpaid taxes to the state and federal government. A notice was sent to the employee and a request for a hearing was submitted by the employee. At the last Board meeting Director Fleming advised the Board that he thought they were close to a resolution with the employee based on their statements but had received an e-mail from the employee last week stating that there were still unresolved issues. This matter will be set up for a hearing but hopefully it can be resolved prior to that. Director Fleming will plan on scheduling it on the day of the June Board meeting so no one will have to make a special trip for this.

BMM Test Labs – The initial application from BMM Test Labs has been received and background check has been initiated. The financial information has been sent to MacDonald Page and Detective Armstrong will be scheduling interviews with the key executives. Director Fleming is hoping to have a report back to the Board in early fall regarding suitability of the company. Work is also being done on renewing the contract with GLI, which expires at the end of June so they can continue to operate in Maine.

Director Fleming was informed by Penn National that they are going to purchase the Tropicana Las Vegas Hotel and Casino. In order to do this they have increased their debt capacity and are in the process of securing commitments from lenders to help cover the cost of the acquisition. They are hoping to finalize the purchase by the fourth quarter of 2015. They have informed us of this because of the change in their debt structure and we will have MacDonald Page review this during the renewal process to ensure they remain suitable in Maine.

Auditors Report : Auditor Donald Berrie The April revenue was \$4,454,000 for the month; an increase of \$110,000, or approximately 3% above April 2014. The increases in March and April revenue were still unable to offset January and February declines, so year-to-date revenue was \$15,876,000; a decrease of \$162,000 or approximately 1% from the same period in 2014. The quarter #1 2015 revenue for the period ending March 31st shows a decrease of 2% and the partial quarter #2 matches the April increase of 3% over the same periods in 2014.

The revenue trend chart is based upon revenue for 2013, 2014 and 2015. April 2015 revenue is following the upward trend shown in 2013 and 2014, so the overall revenue pattern appears to remain consistent.

2015 distribution of tax revenues expressed in most recent month, quarterly and year-to-date for each venue was distributed. This information is derived from data available on the "Revenue Totals" tab of the Gambling Control Board web site. Slot machine hold must be in compliance on a quarterly basis. As points of information, holds are reported on this form on a monthly, quarterly and year-to-date basis. Both venues are in compliance. The auditors are also monitoring holds on a daily and weekly basis.

Audit program

The table game component of the audit program has been completed at the Oxford Casino and you have received a written report. The staff at Oxford Casino was helpful. The slot machine component is the next area to be studied and will commence at Hollywood Casino within two weeks.

State Police Update: Detective Don Armstrong Since the April 21 Board meeting there have been 27 new applications submitted, 39 background investigations completed and new licenses issued, and 79 renewals completed for April. There have been 13 calls for service in Bangor and 4 calls for service in Oxford. There have been 4 new thefts and 2 have since been resolved. In December there was a complaint of purse theft at Hollywood Casino. Via surveillance videos, although poor quality, Detective Armstrong and surveillance staff at Hollywood Casino were able to identify the vehicle used by the assailant by a distinctive mark on the individual's vehicle last week. Detective Armstrong is currently working with the Computer Crimes division of the Maine State Police to clear up video feed of this individual.

Unfinished Business: No unfinished business

New Business: Director Fleming discussed the renewal process and submission of taxes. Employees must be current on their taxes prior to initial licensure and renewal of their license. Upon submission of initial application, the board submits a request to verify compliance with tax payments to Maine Revenue Service and they inform us of any issues. During the renewal process individuals must submit their most recent taxes along with a promissory note for current year's taxes. They are then required to submit their taxes once completed and often re-submit with their next year's renewal. This has become an issue as promissory notes and tracking taxes submitted have made the process confusing for many. Director Fleming suggests that upon submission of the renewal application, the individual must submit their most recent completed taxes as this will be sufficient to show compliance with payment of taxes. The Board also discussed the possibility of accepting tax software confirmations as proof of filing, but determined that this would not be sufficient.

Motion to make changes to renewal application tax requirements: Joe Laliberte

Seconded: Barbara Dresser

Vote: Unanimous

Director Fleming discussed making an addition to initial application to include \$49.00 finger print fee.

Currently in the initial application it indicates that there must be a fee of \$250.00 submitted with application and

does not clearly show the additional \$49.00 fee due for finger print cards. Several times applications have been received with a check in the amount of \$250.00 and then Gambling Control staff needs to contact the individual for the remaining amount of \$49.00 which holds up the application process.

Motion to make changes to initial application to indicate total amount due: Joe Laliberte
Seconded: Robert Harmon
Vote: Unanimous

There has been a request for a position transfer change for an employee at Hollywood Casino. The change would be from surveillance to housekeeping, which is an unlicensed position. The housekeeping position is a better fit for their employee.

Motion to accept request for position change: Robert Harmon
Seconded: Barbara Dresser
Vote: Unanimous

Public Comment Jose Flores – General Manager, Hollywood Casino.

Motion: to adjourn Joe Laliberte
Second: Robert Harmon
Vote: Unanimous
Meeting Adjourned: 9:45

Next meeting is June 16, 2015 @ 9am @ 45 Commerce Drive Suite 3 Augusta, Maine 04330

Respectfully submitted Harley Murray Office Assistant II